



Press Statement

MONTHLY BULLETIN ON IMPORT PARITY PRICING OF PETROLEUM PRODUCTS

15th January 2007

The Energy Regulation Board (ERB) wishes to advise that the prices of petroleum products have been revised upwards with effect from midnight of the 15th January 2007.

The upward changes are largely attributed to trends in international oil prices and the exchange rate of the Kwacha against the US Dollar, since the last monthly review of prices in December 2006.

With regard to international oil prices, Petrol prices rose from US\$62.86/barrel to US\$66.93/barrel, while Diesel prices rose from US\$69.96 to US\$70.39/barrel and Kerosene prices rose from US\$72.13 to US\$75.78/barrel since the last price adjustments.

In addition, the Kwacha depreciated by **3.65%** from **K3, 997** to 1 US\$ used at the last price adjustment, to **K4, 143** to 1 US\$, being the actual average inter-bank exchange selling rate for the month ending December 2006.

It should also be observed that INDENI is currently on shutdown and the stock levels have dwindled. In order to forestall a fuel shortage, BP has been requested to import petroleum products to meet market requirements. BP started selling imported refined products on 11th January 2006. BP is bringing in the imported petroleum products by road, which, though more expensive, is the fastest available means under the circumstances.

The comparative costs of transportation are highlighted below:

COMPARATIVE COSTS OF TRANSPORTING PETROLEUM PRODUCTS FROM DAR-es- SALAAM TO NDOLA

MODE OF TRANSPORTATION	COST PER TONNE
Pipeline	US\$39
Weighted Average of Road and Rail	US\$169
Road	US\$200

EXPECTED PUMP PRICES

In view of the factors discussed above, the expected average pump prices of petroleum products for the month of January, in Lusaka, will be as follows:

AVERAGE INDICATIVE LUSAKA PUMP PRICES

PRODUCT	PUMP PRICES K/Litre		ABSOLUTE VARIANCE (K/Litre)
	Current	New	
Petrol	5,397	6,095	698
Diesel	4,965	5,377	412
Kerosene	3,919	4,342	423

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